United Nations A/55/689

General Assembly

Distr.: General
14 December 2000

Original: English

Fifty-fifth session
Agenda item 115

Financial reports and audited financial statements, and reports of the Board of Auditors

Report of the Fifth Committee

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I. Introduction

1. At its 9th plenary meeting, on 11 September 2000, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-fifth session, and to allocate to the Fifth Committee, the item entitled:

> "Financial reports and audited financial statements, and reports of the Board of Auditors:
>
> "(a) United Nations;
>
> "(b) United Nations Development Programme;
>
> "(c) United Nations Children's Fund;
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> "(d) United Nations Relief and Works Agency for Palestine Refugees in the Near East;
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> "(e) United Nations Institute for Training and Research;
>
> "(f) Voluntary funds administered by the United Nations High Commissioner for Refugees;
>
> "(g) Fund of the United Nations Environment Programme;
>
> "(h) United Nations Population Fund;
>
> "(i) United Nations Habitat and Human Settlements Foundation;
>
> "(j) Fund of the United Nations International Drug Control Programme;
>
> "(k) United Nations Office for Project Services".

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2. The Fifth Committee considered the item at its 22nd, 24th and 35th meetings, on 6 and 8 November and 6 December 2000. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/55/SR.22, 24 and 35).

3. For its consideration of the item, the Fifth Committee had before it the following documents:

(a) Financial reports and audited financial statements for the period ended 31 December 1999 and reports of the Board of Auditors on the United Nations,[1] the International Trade Centre UNCTAD/WTO,[2] the United Nations University,[3] the United Nations Development Programme,[4] the United Nations Children's Fund,[5] the United Nations Relief and Works Agency for Palestine Refugees in the Near East,[6] the United Nations Institute for Training and Research,[7] the voluntary funds administered by the United Nations High Commissioner for Refugees,[8] the Fund of the United Nations Environment Programme,[9] the United Nations Population Fund,[10] the United Nations Habitat and Human Settlements Foundation,[11] the Fund of the United Nations International Drug Control Programme,[12] the United Nations Office for Project Services,[13] the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994[14] and the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991;[15]

(b) Related report of the Advisory Committee on Administrative and Budgetary Questions (A/55/487);

(c) Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors (A/55/80);

(d) Report of the Secretary-General on implementation of the recommendations of the Board of Auditors concerning funds and programmes for the period ended 31 December 1997 (A/55/80/Add.1);

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[1] Ibid., *Fifty-fifth Session, Supplement No. 5* (A/55/5, vol. I).
[2] Ibid., vol. III.
[3] Ibid., vol. IV.
[4] Ibid., *Supplement No. 5A* (A/55/5/Add.1).
[5] Ibid., *Supplement No. 5B* (A/55/5/Add.2).
[6] Ibid., *Supplement No. 5C and corrigendum* (A/55/5/Add.3 and Corr.1).
[7] Ibid., *Supplement No. 5D* (A/55/5/Add.4).
[8] Ibid., *Supplement No. 5E* (A/55/5/Add.5).
[9] Ibid., *Supplement No. 5F* (A/55/5/Add.6).
[10] Ibid., *Supplement No. 5G* (A/55/5/Add.7).
[11] Ibid., *Supplement No. 5H* (A/55/5/Add.8).
[12] Ibid., *Supplement No. 5I* (A/55/5/Add.9).
[13] Ibid., *Supplement No. 5J* (A/55/5/Add.10).
[14] Ibid., *Supplement No. 5K* (A/55/5/Add.11).
[15] Ibid., *Supplement No. 5L* (A/55/5/Add.12).

(e) First report of the Secretary-General on the implementation of the recommendations of the Board of Auditors on the accounts of the United Nations for the biennium ended 31 December 1999 (A/55/380);

(f) First report of the Secretary-General on the implementation of the recommendations of the Board of Auditors on the United Nations funds and programmes for the biennium ended 31 December 1999 (A/55/380/Add.1);

(g) Note by the Secretary-General transmitting the concise summary of principal findings, conclusions and recommendations contained in the reports prepared by the Board of Auditors for the General Assembly at its fifty-fifth session (A/55/364).

4. At the 22nd meeting, on 6 November, the Chairman of the Board of Auditors introduced the reports of the Board (see A/C.5/55/SR.22).

II. Consideration of draft resolution A/C.5/55/L.12

5. At the 35th meeting, on 6 December, the representative of Egypt, coordinator of the informal consultations on the item, introduced, on behalf of the Chairman, a draft resolution entitled "Financial reports and audited financial statements, and reports of the Board of Auditors" (A/C.5/55/L.12).

6. At the same meeting, the Committee adopted draft resolution A/C.5/55/L.12 without a vote (see para. 7).

III. Recommendation of the Fifth Committee

7. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

Financial reports and audited financial statements, and reports of the Board of Auditors

The General Assembly,

Reaffirming its resolutions 50/222 of 11 April 1996, 51/218 E of 17 June 1997, 52/212 B of 31 March 1998, 53/204 of 18 December 1998, 53/221, section VIII, of 7 April 1999 and 54/13 B of 23 December 1999,

Having considered, for the period ended 31 December 1999, the financial reports and audited financial statements of the United Nations,[16] the International Trade Centre UNCTAD/WTO,[17] the United Nations University,[18] the United Nations Development Programme,[19] the United Nations Children's Fund,[20] the United Nations Relief and Works Agency for Palestine Refugees in the Near East,[21]

[16] *Official Records of the General Assembly, Fifty-fifth Session, Supplement No. 5* (A/55/5), vol. I.
[17] Ibid., vol. III.
[18] Ibid., vol. IV.
[19] Ibid., *Supplement No. 5A* (A/55/5/Add.1).
[20] Ibid., *Supplement No. 5B* (A/55/5/Add.2).
[21] Ibid., *Supplement No. 5C* and corrigendum (A/55/5/Add.3 and Corr.1).

the United Nations Institute for Training and Research,[22] the voluntary funds administered by the United Nations High Commissioner for Refugees,[23] the Fund of the United Nations Environment Programme,[24] the United Nations Population Fund,[25] the United Nations Habitat and Human Settlements Foundation,[26] the Fund of the United Nations International Drug Control Programme,[27] the United Nations Office for Project Services,[28] the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994,[29] the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991,[30] the concise summary of principal findings, conclusions and recommendations contained in the reports prepared by the Board of Auditors on the audit of the accounts for the period ended 31 December 1999,[31] the reports of the Secretary-General on the measures taken to implement the recommendations of the Board of Auditors[32] and the report of the Advisory Committee on Administrative and Budgetary Questions,[33]

1. *Accepts* the financial reports and audited financial statements and the reports and audit opinions of the Board of Auditors regarding the above-mentioned organizations, subject to the provisions of the present resolution, with the exception of the financial statements of the United Nations Development Programme,[19] the United Nations Population Fund[25] and the Fund of the United Nations International Drug Control Programme;[27]

2. *Approves* all the recommendations and conclusions contained in the reports of the Board of Auditors, and endorses the observations and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions;[33]

3. *Decides* to defer action on the financial statements of the United Nations Development Programme, the United Nations Population Fund and the Fund of the United Nations International Drug Control Programme for the period ended 31 December 1999, pending certification by the Board of Auditors that satisfactory progress is being made towards removing the reasons for the qualified opinions or that the matter has been resolved, and decides to revert to this matter at its resumed fifty-fifth session;

4. *Commends* the Board of Auditors for the quality of its reports, in particular with respect to its comments on the management of resources;

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[22] Ibid., *Supplement No. 5D* (A/55/5/Add.4).
[23] Ibid., *Supplement No. 5E* (A/55/5/Add.5).
[24] Ibid., *Supplement No. 5F* (A/55/5/Add.6).
[25] Ibid., *Supplement No. 5G* (A/55/5/Add.7).
[26] Ibid., *Supplement No. 5H* (A/55/5/Add.8).
[27] Ibid., *Supplement No. 5I* (A/55/5/Add.9).
[28] Ibid., *Supplement No. 5J* (A/55/5/Add.10).
[29] Ibid., *Supplement No. 5K* (A/55/5/Add.11).
[30] Ibid., *Supplement No. 5L* (A/55/5/Add.12).
[31] A/55/364.
[32] A/55/80 and Add.1 and A/55/380 and Add.1.
[33] A/55/487.

5. *Requests* the Secretary-General and the executive heads of the funds and programmes of the United Nations to present their financial statements on time so that the Board of Auditors can audit them and submit its reports to the General Assembly in accordance with the six-week rule;

6. *Takes note* of the reports of the Secretary-General on the implementation of the recommendations of the Board of Auditors;[32]

7. *Notes* that the first report of the Secretary-General on the implementation of the recommendations of the Board of Auditors on the accounts of the United Nations for the biennium ended 31 December 1999[34] did not comply with the provisions of General Assembly resolution 54/248 of 23 December 1999 regarding the inclusion of a footnote giving the reason for the late submission of a report;

8. *Requests* the Secretary-General to review the question of the term of office of the Board of Auditors and to report to the General Assembly at its resumed fifty-fifth session under the item entitled "Review of the efficiency of the administrative and financial functioning of the United Nations";

9. *Decides* to consider the reports of the Board of Auditors on the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991[30] and the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994[29] also under the agenda items relating to the financing of the Tribunals;

10. *Requests* the Secretary-General to prepare the financial reports and audited financial statements for the International Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda in line with their budget cycles;

11. *Calls upon* the executive heads of the funds and programmes of the United Nations to improve their procurement practices, as appropriate, using the Procurement Division of the Office of Central Support Services of the Secretariat as a model in such areas as the posting of bids on the Internet and inviting all registered suppliers to bid;

12. *Requests* the Secretary-General and the executive heads of the funds and programmes of the United Nations, in conjunction with the Board of Auditors, to continue to evaluate what financial information should be presented in the financial statements and schedules and what should be presented in annexes to the statements in accordance with the United Nations accounting standards.

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[34] A/55/380.